

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W.R. GRACE & CO., et al.,) Case No. 01-1139(JFK)
) (Jointly Administered)
Debtors.)

NOTICE OF DISPOSITION OF EQUITY SECURITIES

PLEASE TAKE NOTICE that Citadel Equity Fund Ltd. hereby provides notice of its disposition of one or more shares of the equity securities (the "Equity Securities") of W.R. Grace & Co. or an Option with respect thereto (the "Transfer").

PLEASE TAKE FURTHER NOTICE that, if applicable, on February 25, 2005, Citadel Equity Fund Ltd. filed a Notice of Status as a Substantial Equityholder¹ with the United States Bankruptcy Court for the District of Delaware (the "Court") and served copies thereof on the Debtors' counsel.

PLEASE TAKE FURTHER NOTICE that Citadel Equity Fund Ltd. Beneficially Owned, immediately prior to the Transfer described in this Notice, 3,909,700 shares of Equity Securities of W.R. Grace & Co.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Transfer, Citadel Equity Fund Ltd. disposed of 105,400 shares of Equity Securities or an Option with respect to 105,400 shares of Equity Securities. Following the Transfer, Citadel Equity Fund Ltd. Beneficially Owns 3,804,300 shares of Equity Securities.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, Citadel Equity Fund Ltd. hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order of this Court, entered on January 26, 2005, Limiting Certain Transfers of Equity Securities of the Debtors and Approving Related Notice Procedures, this Notice is being (A) filed with the Court, and (B) served upon Kirkland & Ellis LLP, counsel to Debtors, 200 E. Randolph Drive, Chicago, Illinois 60601, Attn: Janet S. Baer, Esq.

¹ For purpose of this Notice, all capitalized terms not defined herein shall have the same meaning as is set forth in the Final Order of this Court, entered January 24, 2005, Limiting Certain Transfers of Equity Securities of the Debtors and Approving Related Notice Procedures.

Citadel Equity Fund Ltd. understands that any further transactions that may result in Citadel Equity Fund Ltd. selling, trading or otherwise transferring shares of Equity Securities (or an Option with respect thereto) may each require an additional notice filed with the Court to be served in the same manner as this Notice.

Dated:

October 11, 2005

Respectfully Submitted,

Kenneth Griffin
Citadel Kensington Global Strategies Fund Ltd.
Citadel Investment Group, L.L.C
Citadel Limited Partnership
Citadel Wellington LLC
Citadel Equity Fund Ltd

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